

Small Business Advisory Council Meeting

DRAFT Minutes

September 2, 2015

Call to order: Jim Butler called the meeting to order at 1:04 p.m.

Attendance: The meeting was attended by the following SBC members: Janelle Green, Jesse Torres, Marty Keller, Stephen Simpson, Philip Vermeulen, Betty Jo Toccoli, Paul Guerrero, Jerry Bircher, Debra Roak, Douglas Eldridge, Lee Cunningham, Frank Montes, Jerome Toliver, Sharon Brown and Joel Ayala.

The following SBC members attended via webinar: Ken Ashford, Savita Farooqui, Jennifer Goode, Don Stoneham, Evelyn Graham and James Brady.

The following DGS representatives were in attendance: Jim Butler, Alternate Chair Angel Carrera, Catrina Blair, Danetta Jackson, Emma Cardenas, Wayne Gross, Michael Aguillo, Joseph Watkins, Daniel Kim, Rhonda Smith, Eric Mandall, Ricardo Martinez, Anda Draghici, Chris Calceta, Brooke Droege and Shanton Tyson,

Special guests included: Susan Sudman (Fi\$Cal), Keith York (Genesis), Pierce York (Genesis), Megan Hodapp (Go-Biz), Stephen Martinez (CHCC) Roberto Herrera (Cal-Vet), Angela Yamamoto (Cal-Vet), Mario Solis (Cal-Trans) and Kathleen Webb (Gov Ops Agency).

The following Small Business /DVBE advocates were in attendance: Curt Dickinson, Gloria Anderson, Tracey Bowen, Amber Van Alstye, Alice Rodriguez, Natalia Calderon, Courtney Adams, Nina Martinez, Andrea Pina and Lynette Hall.

The following SB advocates attended via webinar: Donna Martinez, Irene Contreras, Jessica Spencer, Jonathan Goff, Kelli Kemper, La Shawn Pettit, Marcos Hernandez, Maritza Rodriguez, Mark Valim, Matt Freeman, Matthew Philip, Melissa Lang, Own Omphua, Richard Zmuda, Samantha Patrick, Sammy Wong, Cindy Cesarini and Veronica Downs.

Welcome and Introductions

Jim Butler welcomed the Council and guests. Jim informed everyone the next Small Business Council meeting will be in Southern California. The meeting was originally scheduled for December 9 but will be moved tentatively to December 16 because of Fi\$Cal.

He introduced the four new members to the Council: Jerome Toliver (RMJ Technologies), Sharon Brown (IDC Publishing), Joel Ayala (California SBDC

Leadership Council) and Rose Elena Saucedo (National Latina Business Women Association). A quick summary of their bios can be found at:

<http://www.documents.dgs.ca.gov/pd/smallbus/SBCouncil/SBCNMBio090215.pdf>

Jim invited everyone in attendance to state their name and their organization. He thanked everyone for coming to the meeting. Jim introduced DGS Director, Daniel Kim.

Introduction to Small Business Council from Daniel Kim

Daniel Kim gave a brief background of his career. He stated that he is very excited to have the opportunity to work with Small Businesses; one of DGS' goals is to grow the number of certified SBs. He stressed the importance of working with Small Businesses. He is looking forward to working with the members.

Jim welcomed members to ask Director Kim, any question they might have, no questions were asked.

Approval of meeting minutes from June 11 meeting

Jim asked for the motion to approve minutes, Paul Guerrero moved the motion and all approved the minutes. All members were in favor of the motion. A copy of the approved minutes can be found at:

<http://www.documents.dgs.ca.gov/pd/smallbus/SBCouncil/SBCMinutes06112015.pdf>

Introduction to Small Business Council from Jesse Torres

Jesse Torres thanked Angel Carrera, Jim Butler and Daniel Kim for the invitation. Jesse acknowledged Janelle Green and Megan Hodapp for all the work they do in the Sacramento office. Jesse described his role as a Small Business Advocate and presented the 1990 report for the first 60 years of the Small Business Office, and when the position first started. The report can be found at:

<http://www.documents.dgs.ca.gov/pd/smallbus/SBCouncil/SBAdvoJT8490.pdf>

The focus of the report was based on SBs with fewer than 25 employees. During this time the SB help line was created, SB roundtable and SB networking opportunities, including a newsletter.

Jesse is looking to form partnerships and relationships that will help California's economy go forward. Jesse shared the goals he has for the next few years; ensuring that SBs have the resources in the way of one to one assistance, how to expand programs like the SBDC, strengthening the direct contact connection there's a tremendous amount of agencies that are having trouble delivering information about

their programs. Assist state agencies in reaching their SB goals and finally champion California as “the Small Business State”, playing a role to educate SB owners on programs that are available to assist them.

Jesse described the role of his office and what they provide to SBs. His office is a direct contact for SB assistance; last year alone they received 7,000 inquiries from SB owners. Go Biz provided 2 million dollars to the California SBDC Network to increase their consulting for access to capital for SB owners.

Jesse discussed their “Made in California” program that assists SBs with how to manufacture in California, and use that as a marketing advantage. He asked if anyone had input on this new program and offered that they are open for suggestions. SB 633 makes it easier to recognize a SB manufacturer in California, which will assist with this new program.

Jesse shared the new business portal that is available to assist SBs with quick start business guides and new mapping tools. The website is <http://businessportal.ca.gov/>. He encouraged everyone to visit it and provide feedback and input because it is an evolving website.

GoBiz is holding a summit on October 13 in Clovis from 8am-11am, for those who would like to attend; they should contact Jesse Torres for more details.

Marty Keller asked Jesse to elaborate on the Go Biz event in Clovis as well as who he recommends to attend this event. Jesse said the event is somewhat like a “roadshow” because there are eight different programs under GoBiz which include Cal Competes, Visit California and International Trade. Then there will be a Segway with local resource programs for business owners. Marty Keller requested Jesse provide a flyer to Council members when it is available.

Keith York from Genesis asked Jesse how Go Biz can help nonprofit’s who employ individuals with disabilities. Jesse informed Keith that the SBDC which is funded by GoBiz can assist business support for nonprofits.

Lee Cunningham invited Jesse Torres to an event hosted by the Women’s Construction Owners & Executives on October 1-4th in San Francisco. She will also send an invitation to all the Council members. She stated that she does not believe that small business owners understand how banks loan, and it’s very difficult for them. She feels like banks need to be more supportive of SBs and local banks should have programs to assist with SB owners. Jesse Torres is glad that IBank is an extension program of GoBiz. Jesse discovered that there are many loan programs for SBs that are offered by cities, which makes it difficult to manage the programs because of risks and size of program. He connects SBs to IBank. He understands that there is a lot of complexity to financing for SBs and welcomes Lee to sit down with him to discuss her thoughts.

Paul Guerrero commented that SBs need assistance with writing public works contracts. They have to learn how to bid in units, and as SBs are not familiar with this concept.

Caltrans and High Speed Rail have discussed the idea of creating a training geared towards public works contracts for SB owners. He feels that these SBs need to be trained and someone needs to look into training on how to complete public work bid packages.

Jerome Toliver asked Jesse Torres if GoBiz has looked into educating registered CPAs and tax preparers for the State of California in turn to serve better SBs. These individuals are the ones that SBs owners rely on for tax codes and incentives for staying in California. Jesse has been talking to people from Board of Equalization and Franchise Tax Board, but he says there is a “circle of associations” that often isn’t tapped into but should be. He stated that at one point there was a network of 600 agencies and associations that came together to offer assistance to SBs and maybe it’s time to resurrect that network.

Angel Carrera shared with Jesse Torres that in past years Go Biz would meet annually with the department SB advocates, and asked if he is willing to go back to doing these meetings. Jesse Torres said that they are already in the works of creating a interagency advocate support meeting.

Fi\$Cal Update

Susan Sudman introduced herself and described the new Fi\$Cal system to those who have not heard of the new system. Wave 2 was just implemented and added 15 more departments, and in December the Fi\$Cal system will include state wide procurement functionality. In December, Fi\$Cal will replace the functionality that exists in BidSync. The procurement portal is Cal Eprocure. Fi\$Cal has been working really hard testing the new system. Fi\$Cal wants the system to be as user friendly as possible. SB certification number and information will be converted over to Fi\$Cal.

Stephen Martinez asked about the fees associated with BidSync when it pertains to cities and counties, and if they will be able to move over to Fi\$Cal eventually. Susan said not at this time.

Lee Cunningham asked if it was true that new Fi\$Cal system will resolve any issues within an hour, Susan said that is not true, however, there is a service center and a separate vendor service center. The response time has not been set, and they understand that there are some time sensitive situations.

Jim let everyone know that DGS automatically extended SB certifications because of the new Fi\$Cal system. Anda Draghici, SB/DVBE Certification Manger, stated that there is a new extension for those SBs expiring January 2016-June 2016 and will be on a case by case basis. In general, DGS hopes to extend for one year but in some cases it’s for two years.

Lee Cunningham asked about DBE certification and expiration, Mario Solis, Caltrans, informed the council that DGS has nothing to do with DBE certification. Lee asked

where a vendor with an expired DBE certification seek help, Mario told her it depends on the agency that granted the DBE certification.

Jim Butler wanted to recognize Doug Eldridge and Savita Farooqui for their assistance with the vendor portal. Doug commented that the company working on the system is doing a great job and is eager to assist with all the vendor's needs.

Jim said there will be a series of webinars before the end of November, and go live will be December 9. He told the Council members that next meeting will be a week after the go live date to get feedback from the members about the new system.

DGS Outreach and Certification Awards and Recognition

Danetta Jackson shared the most recent awards that the department has received in the last few months. The first award is from the National Association of State Procurement Officials, The George Cronin Award for Procurement Excellence. DGS got an honorable mention for the SB/DVBE Option submittal.

The second acknowledgment was given from our Chair, Aubry Stone, presented at the 20th Annual Ron Brown Business & Economic Summit. The department received the public agency award for diversity & procurement outreach.

The last award was given by the Elite Lead Service Disabled Veterans Owned Business Network for the department's ongoing support throughout the years, for their assistance with certifying Disabled Veteran Businesses.

Danetta shared a story about a SB owner that was awarded a contract by the Department of Corrections. She wanted to commend DGS certification staff for helping this SB owner get his certification. Danetta also shared her experience with the National Latina Business Academy, and that she met a SB owner that was awarded a state contract with the result of getting certified through the academy.

Danetta requested input for changes on the SBC Charter and how they would like to handle the changes. Paul Guerrero offered to set up an Ad Hoc Committee meeting to discuss the changes. Danetta will send out an invitation for this meeting.

PD Contract Update

Eric Mandell makes it a practice of putting the upcoming solicitations on the Procurement division website. You can find a sample of the upcoming solicitations at:

<http://www.documents.dgs.ca.gov/pd/smallbus/SBCouncil/BidOpport090215.pdf>

<http://www.documents.dgs.ca.gov/pd/smallbus/SBCouncil/FoodAcquisitionSolicitations090215.pdf>

He introduced Rhonda Smith who gave an overview of the CMAS program. CMAS schedules are at about 1600, and SB owners take about 47% of those schedules and 3% for DVBEs. You can see a copy of Rhonda's presentation at:

<http://www.documents.dgs.ca.gov/pd/smallbus/SBCouncil/CMASPP090215.pdf>

If you are interested in submitting an offer to CMAS there are two ways to go about it. One is holding a federal GSA or "piggy backing", which means vendors, can go out and find a GSA that is established by another contractor and if you agree with the terms and conditions and can honor the pricing of the GSA, CMAS will allow you to piggy back. Processing time is less than 30 days and averaging about 15-16 days.

Lee Cunningham asked what the disconnect is for many of her members not using a CMAS contract. Jim Butler said that it was suggested that CMAS come to the council and present so everyone can be well informed and know the program.

Debra Roak asked about the idea of an online application, because it is currently a print out and mail application. Rhonda said that CMAS is looking to move towards this direction, maybe within the next two months.

Angel Carrera asked Rhonda to share with the council the services not included in CMAS; legal services, architectural and engineering, nursing services, environmental services and medical services.

Debra Roak gave a recommendation for Rhonda Smith and the CMAS group to come back to the Council to provide more information on the program. Eric Mandell agreed that this is a great idea, Danetta Jackson mentioned that the CMAS information was included in the How to do Business with the State Workshops for suppliers and included in the webinar.

Marketing Video for Cal-PCA training

Jerry Bircher is working on developing on a top down process, from governor to state buyer to show support to buyers and advocates that they have support. The goal in the beginning was to develop a document that would answer questions about the importance of using a small business in California. The idea is maybe creating a cartoon on how a dollar affects the economy. Jerry has been using the most recent CSUS study on SB and obtaining contracts with the State of California. He wants approval from the Council to move forward on an information piece or video, involvement from anyone on the Council that would like work on the project.

Bob Door discussed how Cal-PCA is looking at how training material is being delivered. Cal-PCA wants to make training material available on smart devices at all times.

Lee Cunningham agrees with the idea of using a cartoon video. Lynette Hall suggested that the information is great and it would be great to see someone from the Governor's office to roll this into an executive order.

Jerry Bircher made the motion about moving forward on the marketing piece, and Marty Keller seconded the motion. All Council members were in favor and the motion carries.

Kathleen Webb said that Secretary Bajter sends her regards, and she wants to give kudos to the individuals who created the media document Jerry presented. She also recommended not limiting to one channel, that the information is very powerful and how important it is for California's economy. She recommends we use social media, training and other outlets to deliver this message.

Review of Action Items

The following items would be addressed at the next SBC meeting in December (date TBD):

- Communication and Outreach will set up two Ad Hoc Committee meetings, one for assistance with updating and revising SBC charter and the other to assist Jerry Bircher with the marketing piece for Cal-PCA.
- CMAS training for SBC members

Public Comment

N/A

Jim Butler adjourned the meeting at 2:46 p.m.